



2015 Fall Trustee's Conference

**Dan Jones, Budget Division Assistant Director
Department of Local Government Finance**



Topics

- What is our objective?
- Where are we?
- What's next?
- What should you expect and watch for?
- How should you respond?
- What then?
- Budget Orders



Objective

ON TIME PROPERTY TAX DISTRIBUTIONS



Where Are We?

- Status of 2015 budget has a direct impact on the proposed 2016 budget.
- 59 counties have certified 2016 estimated assessed values as of Sept. 16th.
- 99.12% of County council budget review forms were submitted online by Sept 1.
- Notice to taxpayers of all budget public hearings and adoption meetings were to be posted online by Sept 14th.



Where are we?

- How 2015 Budget can impact 2016 proposed budget?
- Budget is defined as both the expenditures and revenues through a period of time;
 - Revenues exceeding 100% of estimate contribute to available fund balances;
 - Revenues not reaching 100% of estimate subtract from available fund balances;
 - Expenses cannot exceed budget unless amended, so
 - “Underspending” makes more fund balances available to support the 2016 budget.



Where are we?

- “Underspending”:
 - A unit deliberately not spending 100% of approved appropriations for the current year,
 - Intent is to increase available funds at the end of the current budget year. Those funds are then available for the following year.
 - Effect is to reduce line 2 on Form 4B.
 - DLGF requires an ordinance, resolution or executive order reducing the appropriations.
 - Deadline to process an additional or reduction of appropriation is Dec. 16th.



What's next?

- 2015 Key dates to remember:
 - Sept 30 – Deadline for DLGF to certify income tax distributions for 2016;
 - Oct 1 – Last day for a county fiscal body to issue budget recommendations;
 - Oct 19 – Last day to file an excessive levy appeal (other than shortfall);
 - Oct 23 – Last possible day to hold public hearing on budget (at least 10 days before adoption);
 - Oct 30 – Last day taxpayers can file objection;
 - Nov 2 – Last possible day to adopt the budget, tax rates and levies.



What's next?

- 2015 Key dates to remember:
 - Nov 2 – Also last day for a taxpayer to request DLGF to conduct a public hearing of a budget;
 - Nov 4 – Deadline for submitting budgets, tax rates and levies to DLGF via Gateway;
 - Nov 10 – Due date for second half of pay 2015 property tax installment;
 - Dec 30 – Deadline to file shortfall levy appeal with the DLGF; Fall settlement.

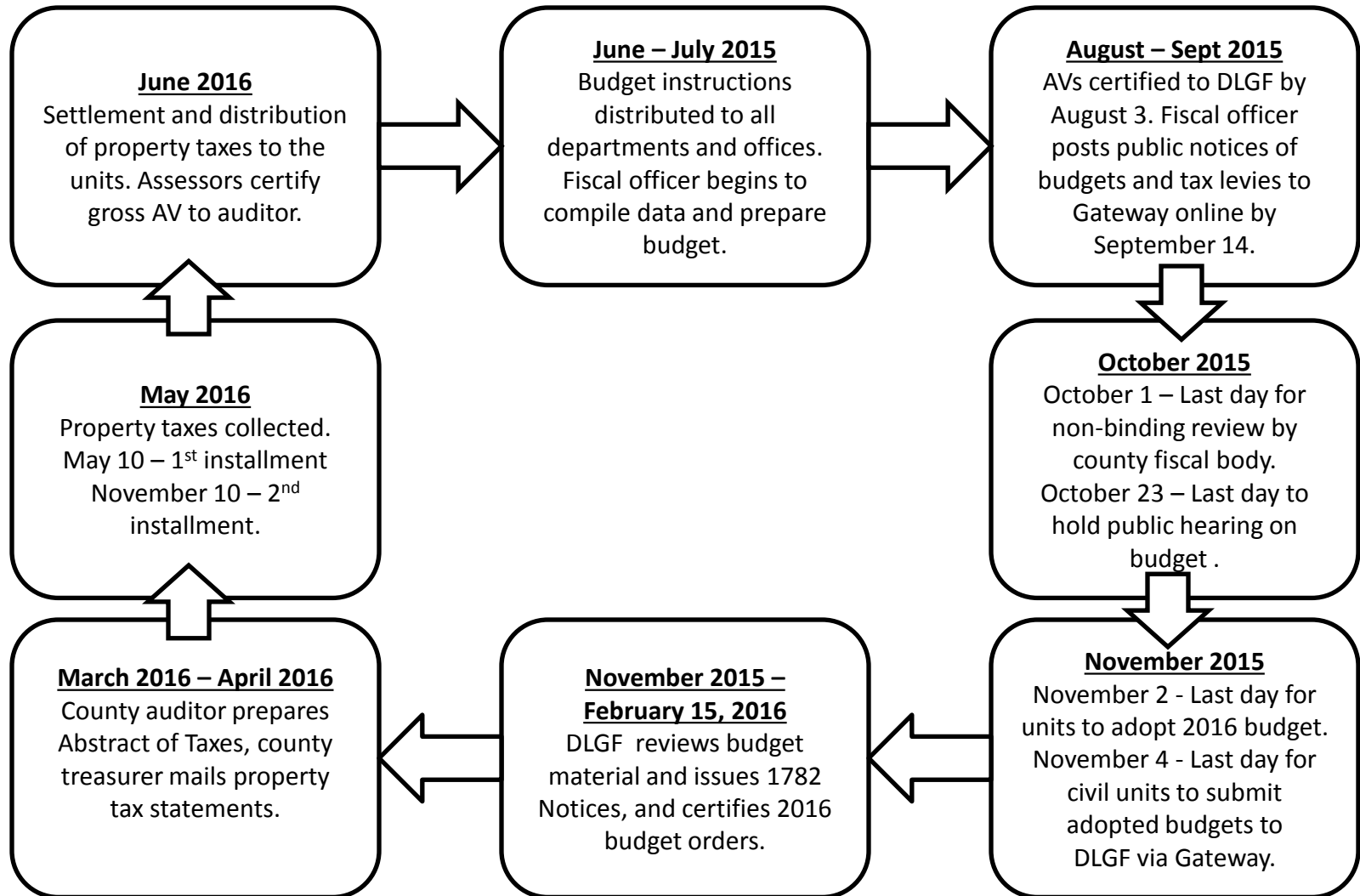


What's next?

- 2016 Key dates to remember:
 - Feb 1 – Due date to file annual salary report with the SBOA;
 - Feb 15 – Due date for DLGF to certify 2016 budgets, tax rates and levies;
 - Mar 1 – Deadline to file annual financial report with SBOA; submit data on retiree benefits and expenditures; deadline to submit annual report of outstanding bonds or leases via Gateway's Debt Management.



Budget Process Overview





What to expect...

- Budgets were prepared in Gateway and the Council Review Worksheet was submitted to the county fiscal body (council) by Sept 1st ;
- County council has until Oct 1st to make recommendations;
- Public hearing must be held by Oct 23rd **and** at least 10 days before adoption. Hearing must be held on the date posted in Gateway;
- Do not adopt until you receive the county's recommendation or until after Oct 1st.



What to expect...

- Public hearing held by Oct 23rd;
 - 10 or more taxpayers may file an objection to the budget, tax rate or levy;
 - Objection is to be filed with the proper officers of the political subdivision within seven days of the hearing;
 - Objection must be specific;
 - Fiscal body must adopt with the budget findings concerning the objection and any testimony presented at the public hearing;
 - Taxpayers may also request a hearing by the DLGF by Nov 2nd.



What to expect...

- Budget adoption:
 - Last possible date for fiscal body to adopt is Nov. 2nd;
 - Adoption meeting must be at least 10 days after the public hearing;
 - Date, time, and place of the adoption meeting is included in the public notice of hearing;
 - Budget must be approved by a majority of the fiscal body.



What to expect...

- Budget adoption (continued):
 - New this year is volunteer firefighters serving on the board of a city, town, or township cannot vote on the budget if they are members of the fire department that serves the city, town, or township. If a majority of the fiscal body is precluded from voting on the budget as a result, the executive may petition the county fiscal body to conduct a public hearing and approve the petition.



What to expect...

- **Budget adoption:**
 - Normally, township board is the fiscal body and they adopt the budget, rates, and levies by voting affirmatively and signing budget Form 4.
 - In a situation where the volunteer firefighters are precluded from voting and board no longer has a quorum, the county council can approve a petition submitted by the trustee on behalf of the board.
 - There will not be a Form 4 from units petitioning the county council. The council's determination and Form 3 (along with the other documents) should be uploaded.
 - Units not affected by volunteer firefighter issue should submit all budget forms as usual.



After adoption, what then?

- After all the budgets from a county are submitted, the DLGF field representatives will begin working budgets from each unit in each county in the order the county certified the net assessed values.
- You may be contacted by your DLGF field representative for additional information.



After adoption, what then?

- DLGF field representatives will make adjustments based on any new information they may have received, including adjustments to miscellaneous revenue estimates;
- When they complete work for all units in a county, they issue a “1782 Notice” describing the actions taken toward the budget and the projected tax levy, budget, and projected ending fund balances.



1782 Notice

1782 Notice Budget Year 2015

0110000 ADAMS COUNTY

NOTICE OF FINAL BUDGET RECOMMENDATIONS PURSUANT TO IC 6-1.1-17-16(d)

This notice sets out by fund the final information proposed for your taxing unit. It includes proposed revenue, levy and budget adjustments that resulted from the application of final assessed values as certified by the county auditor. Cumulative fund rates have been capped based on the calculation required in IC 6-1.1-18-12.

Budget adjustments due to circuit breaker credits and reductions in property tax collections must be made by unit officials. Failure by the units to make these adjustments may result in unfunded expenditures.

Units must respond to this notice within 10 calendar days with requested changes as specified in IC 6-1.1-17-16(d). Requests for adjustments must be provided to the Department electronically by either emailing your signed response to the Department at 1782Notices@dlgf.in.gov or by fax to (317) 232-0178.

Your response must be received no later than February 09, 2015

No extension will be granted. If no response is received, the budgets, rates and levies identified in this 1782 Notice will be certified in the final budget order for your county.

Questions on this 1782 Notice may be directed to your budget field representative or to the Budget Division of the Department at 1782Notices@dlgf.in.gov.

Check the
Appropriate box:

- ☐ No changes requested.
☐ Please make the following
changes according to the
attached information.

I acknowledge receipt of this notice:

_____ Signature	_____ Email
_____ Printed Name	_____ Title
	_____ Date

Respond by
Email: 1782Notices@dlgf.in.gov
Fax: (317) 232-0178



1782 Notice

- According to IC 6-1.1-17-16(d):

“...The department of local government finance shall give the political subdivision *notification electronically* in the manner prescribed by the department of local government finance *specifying any revision, reduction, or increase* the department proposes in a political subdivision's tax levy or tax rate. The political subdivision has *ten (10) calendar days* from the date the political subdivision receives the notice to provide a response electronically in the manner prescribed by the department of local government finance. *The response may include budget reductions, reallocation of levies, a revision in the amount of miscellaneous revenues, and further review of any other item about which, in the view of the political subdivision, the department is in error.* The department of local government finance shall consider the adjustments as specified in the political subdivision's response if the response is provided as required by this subsection and shall deliver a final decision to the political subdivision.”



1782 Notice

- Important points within IC 6-1.1-17-16(d):
 - DLGF is required to notify each unit electronically of proposed actions taken on their budget;
 - Unit has 10 calendar days to respond to DLGF electronically;
 - Response from unit may include budget reductions, reallocation of levies, a revision to miscellaneous revenue estimates, and review of any other item the unit views the DLGF may be in error.
 - Notices are sent between November through Feb 15th.
 - Provide the DLGF with an alternative email address to send the 1782 Notice in the event you are not available.



Reviewing 1782 Notice

Check all of these lines carefully:

- Line 1: Ensuing year's budget
- Line 2: 2nd half CY expense
- Line 8a: 2nd half CY misc. revenues
- Line 8b: Ensuing year's estimated misc. revenues
- Line 11: Projected Operating Balance at the end of budget cycle
- Line 14: Property tax levy
- Line 16: Property tax rate

0110000 - ADAMS COUNTY WORK DRAFT			Fund Report Pay 2015		
FUND:	0001		FUND:	0101	01/29/2015 03:19PM FUND: 0124
AV:			AV:	\$1,450,713,873	AV: \$1,450,713,873
1. Budget Estimate	100,000			9,271,868	192,100
2. Expenditures J1-Dec	98,884			5,703,493	269,432
3. Add App J1 - Dec	0			134,885	15,495
4A. Temporary Loans	0			0	0
4B. Loans Not Pd 12/31	0			0	0
5. TOTAL EST EXP	198,884			15,110,046	477,027
6. Cash Balance 6/30	1,962,660			3,344,804	453,366
7. Dec Tax Collection	0			2,890,544	29,967
8A. Misc Rev Jul - Dec	0			718,241	1,968
8B. Misc Rev Total	0			1,300,181	3,687
9. TOTAL FUNDS	1,962,660			8,253,770	489,018
10. NET AMT REQ	(1,763,776)			6,856,276	(11,991)
11. Operating Balance	1,763,776			0	80,598
12. TOTAL (10+11)	0			6,856,276	68,807
13A. PTRC	0			0	0
13B. LOIT	0			0	0
14. NET AMT TO RAISE	0			6,856,276	68,807
15. Levy Excess	0			0	0
16. TAX LEVY	0			6,856,276	68,807
TAX RATE	0.0000			0.4697	0.0047
FUND:	0590		FUND:	0702	FUND: 0706
AV:	\$1,450,713,873		AV:	\$1,450,713,873	AV: \$1,450,713,873
1. Budget Estimate	60,000			2,110,705	275,000
2. Expenditures J1-Dec	57,031			985,585	174,346
3. Add App J1 - Dec	0			681,850	0
4A. Temporary Loans	0			0	0
4B. Loans Not Pd 12/31	0			0	0
5. TOTAL EST EXP	117,031			3,778,140	449,346
6. Cash Balance 6/30	226,239			1,069,812	186,757
7. Dec Tax Collection	23,724			0	0
8A. Misc Rev Jul - Dec	1,579			1,151,744	124,819
8B. Misc Rev Total	2,981			2,483,364	272,117
9. TOTAL FUNDS	254,523			4,704,920	583,493
10. NET AMT REQ	(137,492)			(926,780)	(134,147)
11. Operating Balance	192,961			926,780	134,147
12. TOTAL (10+11)	55,469			0	0
13A. PTRC	0			0	0
13B. LOIT	0			0	0
14. NET AMT TO RAISE	55,469			0	0
15. Levy Excess	0			0	0
16. TAX LEVY	55,469			0	0
TAX RATE	0.0038			0.0000	0.0000

TIP: Compare these figures to those approved by your board and to last year's 1782.



Reviewing 1782 Notice

- 1782 Notice includes a Fund Report which lists all the DLGF certified funds information and the amount above or below the maximum levy.
- Note: Townships have two maximum levies; Operating and Fire.

0120001 BLUE CREEK TOWNSHIP
WORK DRAFT

Fund Report Pay 2015

01/28/2015 03:19PM

FUND	ASSESSED VALUE	RATE	LEVY	CNTRL
0081 RAINY DAY	0	0.0000	0	
0101 GENERAL	62,757,159	0.0275	17,258	UT
0840 TWP ASSISTANCE	62,757,159	0.0000	0	UT
1111 FIRE	62,757,159	0.0091	5,711	TF
TOTAL		0.0366	22,969	

TOWNSHIP FIRE	UNIT
Normal Max Levy: 5,761	Normal Max Levy: 17,313
Minus LOIT: 0	Minus LOIT: 0
Minus Levy Excess: 0	Minus Levy Excess: 0
Plus Fin Inst Tax: 0	Plus Fin Inst Tax: 0
Plus Misc Changes: 0	Plus Misc Changes: 0
Working Max Levy: 5,761	Working Max Levy: 17,313
CTL TF Working MAX 5,761 Under Max by 50	
CTL UT Working MAX 17,313 Under Max by 55	



Reviewing 1782 Notice

- 1782 Notice includes estimated revenues for the 2nd half of the current year and all of the ensuing year.
- Some of these numbers are certified, such as the income tax, and will not change. Some other values can change.

DLGF BUDGET PROGRAM ESTIMATES OF
MISCELLANEOUS REVENUES FOR YEAR
ENDING 2015 ESTIMATED AMOUNTS TO BE
RECEIVED

1/28/2015
3:18PM

	Column A July 1, 2014 - Dec 31, 2014	Column B Jan 1, 2015 - Dec 31, 2015
0120001 BLUE CREEK TOWNSHIP		
0061 RAINY DAY		
R902 Earnings on Investments and Deposits	0	0
Fund Total	0	0
0101 GENERAL		
R114 Vehicle/Aircraft Excise Tax Distribution	263	509
R135 Commercial Vehicle Excise Tax Distribution (CVET)	29	59
Fund Total	292	568
0840 TWP ASSISTANCE		
R902 Earnings on Investments and Deposits	100	100
Fund Total	100	100
1111 FIRE		
R104 County Option Income Tax (COIT)	2,255	4,806
R114 Vehicle/Aircraft Excise Tax Distribution	87	169
R135 Commercial Vehicle Excise Tax Distribution (CVET)	7	20
Fund Total	2,349	4,995



Responding to 1782 Notice

- Upon receiving the 1782 Notice, review it closely and indicate any requested changes on the Notice.
- Sign as “No changes requested” or “Please make the changes indicated”; sign and date with your title and e-mail address;
- Return via e-mail to 1782Notice@dlgf.in.gov or FAX to (317) 232-0178.
- Provide the DLGF with a secondary person to send the Notice in the event you are not available when Notices are sent.



Responding to 1782 Notice

- After you have reviewed the 1782 Notice, return it to the DLGF ASAP.
- Responding promptly accelerates the processing time for your county's budget order.
- DLGF certifying the budget order early improves your chances for property tax bills to be sent on time.
- Also increases the likelihood that property taxes are paid and distributed earlier.



Budget Orders

- When the DLGF has received all 1782 responses from all units in the county or after the ten (10) days have passed, DLGF will begin final review of all units' budgets in that county;
- Final review *may* reflect requested changes from 1782 responses;
- This process includes calculating tax rates of all funds for all units by tax district in the county.



Budget Orders

- Process results in the certification of the Budget Order for units by fund in the county;
- Budget Order is certification by unit and fund: the certified assessed value; tax rates; tax levies; and appropriations.
- Budget Order also certifies the property tax rates the auditor and treasurer are to bill property taxpayers in their respective tax districts.



Budget Orders

- DLGF only certifies funds that are:
 - Supported by property taxes such as:
 - General Fund
 - Township Assistance
 - Debt Service
 - Fire
 - Fire Cumulative
 - Funds specifically required by Indiana Code:
 - Rainy Day
 - MVH & LR & S
 - Major Moves

All other funds are appropriated by the local fiscal bodies and reported to but not certified by the DLGF.



Budget Orders

STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE

ORDER


IN THE MATTER OF THE BUDGET
AND TAX RATES FOR 2014 PAYABLE 2015 FOR
ADAMS COUNTY

THIS DEPARTMENT NOW ORDERS the attached budgets and rates for the various taxing units in the above-mentioned county shall be the budgets and rates for the year 2015. The County Auditor is directed to prepare the tax duplicate in accordance with this Order. Each of the several legislative bodies and the administrative officers of each of the municipal corporations are directed to allocate the funds to be derived in such a manner that the expenditures for the ensuing year shall not exceed the amount to be derived from the attached rates and no expenditures shall exceed the maximum included in the separate and several budget classifications. Nor may alterations be made in any budget or any separate budget classifications, other than specified in this Order, except as provided for in IC 6-1.1-18-5.

The County Auditor is directed to incorporate this Order in the minutes of the Tax Adjustment Board, if applicable, and make it a part of the permanent record to be used in the preparation of the tax duplicate. The Auditor shall furnish to the administrative head of each taxing unit a certificate of information concerning the final rate and budget as it may have been adopted by the Tax Adjustment Board, if applicable, or by the order of the Department of Local Government Finance.

Dated this 12th day of February, 2015.

DEPARTMENT OF LOCAL GOVERNMENT FINANCE


Courtney L. Schaafsma, Commissioner



Budget Order

STATE OF INDIANA DEPARTMENT OF LOCAL GOVERNMENT FINANCE

2015 TAX RATES (Per Taxing District)

Year: 2015

County: 01 Adams

<u>Taxing District</u>	<u>2015 District Rate</u>
001 NORTH BLUE CREEK TOWNSHIP	1.4153
002 SOUTH BLUE CREEK TOWNSHIP	1.7149
003 NORTH FRENCH TOWNSHIP	1.4174
004 SOUTH FRENCH TOWNSHIP	1.7170
005 HARTZ-ORD TOWNSHIP	1.7169
006 JEFFERSON TOWNSHIP	1.7235
007 KIRKLAND TOWNSHIP	1.4571
008 NORTH MONROE TOWNSHIP	1.4559
009 SOUTH MONROE TOWNSHIP	1.7555
010 BERNIC CITY - MONROE TOWNSHIP	3.0589
011 MONROE TOWN-MONROE TOWNSHIP	2.0169
012 PREBLE TOWNSHIP	1.6520
013 ROOT TOWNSHIP	1.6194
014 DECATUR CITY-ROOT TOWNSHIP	2.7823
015 S. MARK'S TOWNSHIP	1.4108
016 UNION TOWNSHIP	1.6529
017 WABASH TOWNSHIP	1.7221
018 BERNIC CITY-WABASH TOWNSHIP	3.0543
019 GENEVA TOWN	3.1098
020 SOUTH WASHINGTON TOWNSHIP	1.4823
021 NORTH WASHINGTON TOWNSHIP	1.6948
022 DECATUR CITY-WASHINGTON TOWNSHIP	2.8291
023 MONROE TOWN-WASHINGTON TOWNSHIP	2.0723

FOR COMPARISON

<u>2014 District Rate</u>
001 1.4153
002 1.7149
003 1.4174
004 1.7170
005 1.7169
006 1.7235
007 1.4571
008 1.4559
009 1.7555
010 3.0589
011 2.0169
012 1.6520
013 1.6194
014 2.7823
015 1.4108
016 1.6529
017 1.7221
018 3.0543
019 3.1098
020 1.4823
021 1.6948
022 2.8291
023 2.0723

NOTE: If applicable, conservancy district special assessment rates are not included in the above taxing district rates.



Budget Order

STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE

2015 BUDGET ORDER

Year: 2015
County: 01 Adams
Unit: 0001 SLUR CREEK TOWNSHIP
Unit Type: Township

Fund	Certified Budget	Certified AV	Certified Levy	Certified Rate
0061 RAINY DAY	\$6,069	\$0	\$0	\$0.0000
Budget approved for displayed amount.				
0100 GENERAL	\$6,785	\$62,757,159	\$17,258	\$0.0275
Budget approved for displayed amount.				
Rate reduced to remain within statutory levy limitation.				
0840 TWP ASSISTANCE	\$9,217	\$62,757,159	\$0	\$0.0000
Budget approved for displayed amount.				
1111 FIRE	\$11,425	\$62,757,159	\$5,711	\$0.0092
Budget approved for displayed amount.				
Rate reduced to remain within statutory levy limitation.				
Unit Total:			\$22,969	\$0.0366

IC 6-1.4-18.5-17 and IC 20-44-3 require that each year the Department of Local Government Finance will certify to each unit of local government figures which show one hundred percent (100%) of the tax levy for each fund. If the property taxes received exceed one hundred percent (100%) of the levy, the excess shall be deposited to the "Levy Excess Fund" unless the amount is less than \$100.00 in any calendar year.



Budget Order

- County auditors are requested to distribute to each unit a copy of their part of the Budget Order;
- Budget Orders can be found on the DLGF's web site:
<http://www.in.gov/dlgf/>
- From DLGF's home page select <County Specific Information> from the buttons on the left side;
- Then choose your county from the table;
- Then click on the desired Budget Order.



Objective

- Objective was on time property tax bills for an on time property tax distribution;
- Budget Order provides county treasurer and county auditor information necessary to begin the process of preparing and mailing property tax bills.
- Compliance with budget calendar ensures property taxes are distributed on time.



Reminders

- Verify that all of your reports that are required by SBOA have been filed;
- Count your pay periods; some years have an extra pay period that must be budgeted;
- Property tax distributions you receive that exceed the certified levy must be deposited in a Levy Excess Fund. (Excludes delinquent property tax collections, fines and penalties.)
 - Levy excess is used to reduce a future years levy.



Check List

- DLGF cannot approve your proposed budget unless these have been properly filed:
 - 2014 Annual Financial Report;
 - 2014 Annual Salary Report;
 - Certification of anti-nepotism policy;
 - Certification of contractual anti-nepotism policy;
 - Debt Report.



QUESTIONS????



Contact Information

- Dan Jones, Asst. Dir. of DLGF Budget Division
 - Email: djones@dlgf.in.gov
 - Phone: 317.232.0651
- DLGF web site: www.in.gov/dlgf/
- DLGF main phone: 317-232-3777
- DLGF main FAX 317.974.1629
- FAX for 1782 Notices: 317.232.0178
- Budget Status Maps:
http://www.in.gov/dlgf/files/2016_Cert_Status.pdf